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Housing and Community Development Products, 1995



Foreword

GAO's Housing and Community Development Issue Area conducts studies of programs involved in providing affordable housing and maintaining vital communities for all Americans. Agencies administering these programs include the Department of Housing and Urban Development, the Department of Veterans Affairs, the Department of Agriculture's Rural Housing Service, the Small Business Administration, the Federal Emergency Management Agency, and many private and nonprofit community organizations.

This index includes information on the products issued from January 1995 through December 1995 that discuss housing and community development programs. It also includes studies performed in other GAO issue areas on related topics. This index is divided into broad subject areas that should be useful for general information and research purposes and for understanding the housing and community development issues that GAO is addressing.

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Abbreviations

AFDC	Aid to Families With Dependent Children
AIMD	Accounting and Information Management Division
CFDA	Catalog of Federal Domestic Assistance
CHA	Chicago Housing Authority
DOD	Department of Defense
FEMA	Federal Emergency Management Agency
FHA	Federal Housing Administration
GAO	General Accounting Office
GGD	General Government Division
HEHS	Health, Education, and Human Services Division
HUD	Department of Housing and Urban Development
IRM	Information Resources Management
OIG	Office of Inspector General
OMB	Office of Management and Budget
RCED	Resources, Community, and Economic Development Division
SBA	Small Business Administration
SBIC	Small Business Investment Company
SSBIC	Specialized Small Business Investment Company
SCORE	Service Corps of Retired Executives
USDA	U.S. Department of Agriculture

Public and Assisted Housing

Rural Housing Programs: Opportunities Exist for Cost Savings and Management Improvement. (Letter Report, 11/16/95, GAO/RCED-96-11)

The U.S. Department of Agriculture's Rural Housing and Community Development Service provides about \$2.85 billion each year for rural housing loans. As of June 1995, the Service had an outstanding single-family and multifamily housing loan portfolio of about \$30 billion, which represented a significant federal investment in affordable housing for the rural poor. The largest portion of the loan portfolio is for single-family direct and guaranteed mortgage loans that are made to families or individuals who are without adequate housing and who are unable to obtain loans from private lenders at reasonable costs. Rural multifamily rental housing loans, made to finance apartment-style housing or to buy and rehabilitate existing rental units, make up the rest of the portfolio. This report provides information on the Service's single- and multifamily housing loans programs and discusses suggestions made by GAO and others that could yield cost savings or management improvement in these programs.

Multifamily Housing: Issues and Options to Consider in Revising HUD's Low-Income Housing Preservation Program. (Statement for the Record, 10/17/95, GAO/T-RCED-96-29)

The Department of Housing and Urban Development's (HUD) program for preserving low-income housing seeks to maintain the affordable low-income housing that was created mainly under two federal housing programs during the 1960s and 1970s. Under these programs, when owners received HUD-insured mortgages with 40-year repayment periods, they entered into agreements with HUD that imposed affordability restrictions, such as limits on the income level of tenants and on the rents that could be charged at the properties. After 20 years, however, owners had the right to pay off their mortgages in full without prior HUD approval and terminate the affordability restrictions. The preservation program has proven to be complex and costly, prompting recommendations from HUD and others to change or repeal the program. This testimony focuses on (1) how the current preservation program works, (2) the status of preservation eligible projects, (3) concerns that have been raised about the program, and (4) options for revising the program.

Housing and Urban Development: Public and Assisted Housing Reform. (Statement for the Record, 10/13/95, GAO/T-RCED-96-22), (Testimony, 10/13/95, GAO/T-RCED-96-25)

Current federal housing programs are seen as overly regulated and leading to warehousing of the poor, and Congress is asking state and local governments to assume a larger role in defining how the programs work. The Congress is now reconsidering the most basic aspects of public housing policy—whom it will house, the resources devoted to it, the amount of existing housing stock that will be retained, and the rules under which it will operate. These statements provide GAO’s views on legislation pending before Congress—S. 1260 and H.R. 2406—that would overhaul federal housing policy. GAO testified that the two bills contain provisions that will likely improve the long-term viability of public housing, such as allowing mixed incomes in public housing and conversion of some public housing to housing vouchers or tenant-based assistance when that makes the most sense. GAO also supports provisions to significantly beef up the Department of Housing and Urban Development’s (HUD) authority to intervene in the management of troubled housing authorities, but GAO cautions that questions remain about the reliability of the oversight system that HUD uses to designate these agencies as “troubled.”

Public Housing: Status of HUD’s Takeover of the Chicago Housing Authority. (Testimony, 09/05/95, GAO/T-RCED-95-275)

This testimony focuses on the Department of Housing and Urban Development’s (HUD) takeover of the Chicago Housing Authority (CHA) in May 1995. The HUD takeover was prompted by the poor physical condition of the CHA’s extensive housing stock and the troubled management of the housing authority. GAO concludes that HUD officials had little choice in taking over CHA. Even if the progress that HUD has made so far in establishing CHA continues, HUD will not solve CHA’s problems in the near future. Because of the magnitude and persistence of the problems, improvements at the authority will take years to achieve and short-term gains will be difficult. Thus, it is important that HUD officials not raise the expectations of tenants or the public for immediate solutions. Although HUD has set and already met some short-term goals, preparing a comprehensive long-term recovery plan is crucial to ensuring sustained success.

Public Housing: Converting to Housing Certificates Raises Major Questions About Cost. (Letter Report, 06/20/95, GAO/RCED-95-195)

Proposed legislation submitted to Congress by the Department of Housing and Urban Development (HUD) would change how the United States has traditionally funded public housing. Federal aid would no longer flow to public housing authorities but instead would go to households in the form of housing certificates, giving these families the choice of remaining in public housing or moving to rental apartments. HUD believes that this shift in policy would save money and solve several basic problems with public housing, including residents' lack of choice in housing, the concentration of very poor people in very poor neighborhoods, and a lack of discipline in management of public housing because of its insulation from the marketplace. This report analyzes the proposed legislation and (1) describes the cost implications and issues raised by switching from the current public housing program to one using housing certificates and (2) identifies key factors that may affect HUD's plan to provide greater housing choice for public housing residents.

Multifamily Housing: HUD's Mark-to-Market Proposal. (Testimony, 06/15/95, GAO/T-RCED-95-230) (Testimony, 06/13/95, GAO/T-RCED-95-226)

The Department of Housing and Urban Development (HUD) is proposing to restructure its multifamily housing portfolio via an approach known as "mark to market." About two million privately owned and managed rental units benefit from mortgage insurance or rental subsidies provided by HUD. The proposal seeks to overcome problems plaguing projects in HUD's multifamily portfolio that both have HUD-insured mortgages and receive rental subsidies tied to units in the projects under HUD's Section 8 rental assistance program. The proposal calls for decoupling rental subsidies and mortgage insurance at individual projects and adjusting mortgage debt to help projects compete effectively in the commercial rental market. This testimony focuses on the following questions: (1) What problems affect the condition of HUD's multifamily housing portfolio? (2) How does HUD believe that its mark-to-market proposal would solve these problems? (3) Which properties will be affected by HUD's proposal? (4) What costs and savings may result from the mark-to-market approach? (5) What key issues does the Congress face in considering the proposal?

Public Housing: HUD's Takeover of the Chicago Housing Authority.
(Testimony, 06/07/95, GAO/T-RCED-95-222)

The Chicago Housing Authority has a long history of troubled management and poor housing conditions that arise from deficient management systems; aging, deteriorated, and poorly designed stock; and the extremely low incomes of residents. The Department of Housing and Urban Development's (HUD) ability to take over a troubled housing authority has been hampered in the past by limited resources and staff expertise. In the past two years, however, key officials with housing expertise have joined HUD, and the long-term benefits of taking drastic action outweigh the costs of continued troubled status. Finally, proposed statutory changes, such as repealing the one-for-one replacement requirement, reforming rent calculation rules, and changing public housing eligibility criteria, could result in better use of federal funds for assisted housing.

HUD-Assisted Renters. (Correspondence, 05/18/95, GAO/RCED-95-167R)

Pursuant to a congressional request, GAO provided information on the Department of Housing and Urban Development's (HUD) rental assistance programs, focusing on the potential for assisted households to move toward or achieve economic self-sufficiency. On the basis of samples of 1989 data, GAO noted: (1) HUD-assisted renters' median age was 50 years, with 29 percent 34 years or younger, 36 percent between the ages of 35 and 64, and 35 percent 65 years or older; (2) the elderly and the disabled, who constituted about 49 percent of HUD-assisted households, had limited potential for achieving self-sufficiency; (3) 45 percent of assisted households had children, with 12 percent having three or more children; (4) about 55 percent of the households were headed by single parents; (5) single parents needed child care and other services in order to participate in training or employment programs; (6) about 36 percent of the heads of assisted households had graduated from high school, another 18 percent had 1 or more years of college, and 21 percent had fewer than 8 years of schooling; (7) at least 45 percent of HUD-assisted renters needed additional education or training to become self-sufficient; (8) the renters' median income was \$7,320; (9) about 7 percent of the renters had incomes of \$20,000 or more; (10) only 40 percent of the households reported income from wages or salaries; and (11) a 3-member family renting a 2-bedroom apartment would need an annual income ranging from \$18,396 to \$36,264 to become economically independent of the housing program.

Multifamily Housing: Better Direction and Oversight by HUD Needed for Properties Sold With Rent Restrictions. (Letter Report, 03/22/95, GAO/RCED-95-72)

Between 1990 and 1993, the Department of Housing and Urban Development (HUD) began foreclosure on a large number of insured mortgages on multifamily properties with financial, physical, or operating problems. However, HUD was unable to sell many of the properties promptly because of the long-term rent subsidies the agency had attached to the properties. Purchasers of 62 properties agreed to restrict rents charged to low-income households to the same rents that they would have paid under the HUD rent subsidy program—usually 30 percent of the household income. GAO found that HUD has not (1) provided its field offices nor purchasers of HUD multifamily properties with clear instructions on the procedures owners must follow in managing properties subject to rent restrictions or (2) established long-term requirements specifying how field offices should oversee owners' compliance with agreed-upon use restrictions. As a result, HUD has placed inconsistent requirements on property owners and, until recently, had not required field offices to oversee owners' compliance.

Public Housing: Funding and Other Constraints Limit Housing Authorities' Ability to Comply With One-for-One Rule. (Letter Report, 03/03/95, GAO/RCED-95-78)

The overall vacancy rate in public housing is about 8 percent. This average, however, masks the conditions at many large housing authorities where uninhabitable buildings cause the rate to be close to 22 percent. At some authorities, whole projects are vacant and hundreds of run-down buildings stand idle. If housing authorities tear down or sell any of these buildings, they are required to replace the housing units on a one-for-one basis with new or other inhabitable housing or provide equivalent rental assistance to the tenants. However, because some authorities believe that they lack enough money or appropriate sites to replace demolished housing, they leave the deteriorated buildings in place. This report provides information on (1) housing authorities with the highest number of vacant units, (2) the impact of the one-for-one requirement on housing authorities' ability to deal with their uninhabitable housing units, and (3) housing officials' views on the proposed waiver of the one-for-one replacement law.

Mortgage Financing and Home Ownership

Homeownership: Mixed Results and High Costs Raise Concerns About HUD's Mortgage Assignment Program. (Letter Report, 10/18/95, GAO/RCED-96-2)

During the 19-year period that ended in September 1993, the Department of Housing and Urban Development (HUD) incurred losses totalling \$12.8 billion as a result of foreclosures on homes that the Federal Housing Administration (FHA) had insured. As an alternative to foreclosure on such properties, HUD operates a mortgage assignment program. For borrowers accepted into the program, FHA pays the mortgage debt, takes assignment of the mortgage from the lenders, and develops a new repayment plan for the borrower under which monthly mortgage payments can be reduced or suspended for up to 36 months. HUD collects mortgage payments from the borrowers while allowing them to live in their homes. The number of FHA borrowers participating in the program has tripled during the past 6 years, reaching 71,500 at the end of fiscal year (FY) 1994. Their unpaid principal balances total \$3.7 billion. GAO found that the program has helped borrowers avoid immediate foreclosure, but it has not been fully successful in helping borrowers avoid foreclosure and retain their homes on a long-term basis. GAO estimates that 52 percent of the nearly 68,000 borrowers who have entered the program since FY 1989 will eventually lose their homes through foreclosure. Moreover, program losses have exceeded those that would have been incurred had loans gone immediately to foreclosure without assignment. Options to reduce program losses include reducing the 3 year relief period provided to borrowers, setting a time limit on eliminating delinquencies, and accepting only those borrowers into the program who can afford to pay at least half of their mortgage payments.

Property Disposition: Information on HUD's Acquisition and Disposition of Single-Family Properties. (Fact Sheet, 07/24/95, GAO/RCED-95-144FS)

Each year, lenders foreclose on thousands of defaulted mortgages on single-family properties insured by the Department of Housing and Urban Development's (HUD) Federal Housing Administration (FHA). With few exceptions, HUD then takes ownership of, and later sells, these properties. FHA almost always loses money on the sale of foreclosed properties. In response to congressional concerns about the costs that HUD incurs in acquiring, managing, and selling these foreclosed properties, this fact sheet provides information on (1) the losses on such properties sold during the 3 fiscal years ending September 30, 1994, and the breakdown of

the costs associated with these losses; (2) the number of properties that HUD acquired and sold during the 3 year period; and (3) the length of time that the properties remained in HUD's inventory before being sold.

Housing Finance: Improving the Federal Home Loan Bank System's Affordable Housing Program. (Chapter Report, 06/09/95, GAO/RCED-95-82)

Decent and affordable housing for every American family has been a goal of national housing policy since 1949. A shortage of affordable housing has prompted the Congress to expand the capital available to finance such housing. The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 required that the Federal Home Loan Bank System establish an Affordable Housing Program to help finance housing for households with very low, low, and moderate incomes and directed GAO to evaluate this program. This report examines (1) how program funds have been used to support affordable housing initiatives, (2) how the program has been run, and (3) whether opportunities exist to improve the program as a source of housing finance.

Government-Sponsored Enterprises: Development of the Federal Housing Enterprise Financial Regulator. (Letter Report, 05/30/95, GAO/GGD-95-123)

GAO is required to audit the operations of the Office of Federal Housing Enterprise Oversight, which was established in 1992 as an independent financial regulator of the nation's two largest government-sponsored enterprises—the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As of December 1994, the enterprises held combined assets and mortgage-backed securities of more than \$1.3 trillion. This report examines the Office's development, focusing on the progress made in designing and instituting key management systems. These include the Office's administrative infrastructure systems—the human resources and accounting and financial management systems—and the major mission-related systems—examinations and capital adequacy. The report also provides an overview of the Office's compliance with other operational and reporting requirements.

HUD Management

HUD's Information Forums. (Correspondence, 11/30/95, GAO/RCED-96-17R)

Pursuant to a congressional request, GAO provided information on the Department of Housing and Urban Development's (HUD) information forums, focusing on (1) whether section 1913 of the U.S. Code applies to HUD officials engaged in lobbying activities; (2) the federal costs incurred by HUD officials attending the forums; (3) the purpose of HUD town meetings; and (4) the development of the forums and the materials provided at the forums. GAO noted that (1) U.S. Code 1913 exempts Cabinet members from lobbying activities; (2) HUD spent \$29,000 on forum-related activities; (3) HUD held town meetings to seek opinions regarding its reorganization plans; and (4) the forums grew out of meetings between various HUD officials and included information on HUD reorganization efforts as well as the agency's proposed budget rescission.

HUD Management: Greater Oversight Needed of FHA's Nursing Home Insurance Program. (Letter Report, 08/25/95, GAO/RCED-95-214)

The Department of Housing and Urban Development (HUD) has insured private lenders against financial losses arising from defaults on mortgages for nursing homes and retirement service centers. Although HUD officials believe that the program has enabled the agency to assist populations or areas that are not well served by the private sector, GAO found that the nursing home program has not been targeted to specific populations or communities and that HUD does not collect or analyze information on whom the program is servicing. The Federal Housing Administration (FHA) has not done any complete assessment of the financial performance of the nursing home and retirement service center programs. Available data indicate that the nursing home program has incurred losses of \$187 million, adjusted for inflation, during its 35-year history. Additionally, FHA's fiscal year 1994 loan loss reserves anticipate future losses equivalent to about 19 percent of the \$3.7 billion balance of nursing home loans in the portfolio as of September 1994. HUD data show that about 46 percent of the retirement service center's total portfolio of about \$1.4 billion had defaulted and resulted in FHA insurance claims as of September 1994. GAO doubts whether HUD will be able to effectively manage the nursing home and retirement service center programs in the near future.

HUD OIG. (Correspondence, 07/28/95, GAO/AIMD-95-218R)

Pursuant to an agency request, GAO reviewed allegations by a former employee of the Department of Housing and Urban Development's (HUD)

Office of Inspector General (OIG) regarding the settlement agreement between HUD and one of its management contractors. GAO noted that (1) the former OIG employee was unable to provide corroborative evidence to support his allegations against OIG and did not direct investigators to any credible source of information to substantiate his allegations against HUD officials; (2) there was no evidence to support the former employee's allegation that HUD unduly influenced the settlement agreement and compromised the audit report; (3) changes in the audit draft resulted from the normal supervisory review process; and (4) there was no evidence of undue influence regarding the audit and investigative process.

Housing and Urban Development: HUD's Reinvention Blueprint Raises Budget Issues and Opportunities. (Statement for the Record, 07/13/95, GAO/T-RCED-95-196)

This testimony comments on the Department of Housing and Urban Development's (HUD) fiscal year 1996 budget request. This year's request reflects the first steps HUD has proposed toward implementing its reinvention blueprint. Through the blueprint, HUD seeks to restructure and consolidate its programs, transform public housing with direct assistance to tenants, and create an entrepreneurial, government-owned Federal Housing Administration. GAO discusses HUD's proposed budget, the estimates it contains, and the budgetary impact of certain assumptions build into HUD's reinvention blueprint.

Purpose of, Funding for, and Views on Certain HUD Programs. (Correspondence, 06/20/95, GAO/RCED-95-189R)

Pursuant to a congressional request, GAO provided information on the Department of Housing and Urban Development's (HUD) programs. GAO noted that (1) most of the grantees and HUD officials it talked to believed that programs that the HUD Office of the Inspector General identified as not related to the Department's core mission provided worthwhile services; (2) HUD grantees and programs officials do not believe that state, local, and private entities will provide support for HUD activities if federal funding ceases; (3) some grantees and program officials believed that HUD should be responsible for providing social services and technical assistance in addition to housing, while others believed that HUD lacked the expertise and experience to provide such service; and (4) grantees and HUD officials agreed that the HUD programs that OIG identified supported the HUD legislative mandate of providing housing to low-and very-low-income people.

HUD Management: FHA's Multifamily Loan Loss Reserves and Default Prevention Efforts. (Letter Report, 06/05/95, GAO/RCED/AIMD-95-100)

In recent years, the number of defaults on Federal Housing Administration (FHA)-insured loans for multifamily housing has soared. In 1994, FHA established loan loss reserves of \$103 billion for its multifamily portfolio. This represents the amount that HUD expects to lose from future defaults on FHA-insured loans. This report evaluates (1) the methodology that FHA used to set loan loss reserves for its fiscal year 1993 multifamily portfolio; (2) the relative benefit of creating a new, actuarially sound insurance fund for all new multifamily housing insurance commitments; and (3) HUD's current initiatives for preventing future defaults on FHA's multifamily housing loans.

Housing and Urban Development: Reform and Reinvention Issues. (Testimony, 03/14/95, GAO/T-RCED-95-129)

The Department of Housing and Urban Development (HUD) suffers from severe organizational and managerial problems that it is still in the early stages of addressing. Because HUD's problems involve large federal loan commitments and discretionary spending, controlling the agency's spending will require the reexamination of federal housing and community development policies and HUD's mission. This testimony focuses on (1) long-standing management shortcomings at HUD and the agency's progress in addressing them; (2) problems that HUD and the Congress face in public and assisted housing programs, which account for the bulk of HUD's outlays; (3) the challenges that HUD faces in restructuring its programs and mechanisms for delivering them; and (4) fundamental questions that should be answered in considering future housing and community development policies.

Housing and Urban Development: Reforms at HUD and Issues for Its Future. (Testimony, 02/22/95, GAO/T-RCED-95-108)

The Department of Housing and Urban Development (HUD) suffers from severe organizational and management problems that the agency is still in the early stages of addressing. Because HUD's programs consist of large federal loan commitments and discretionary spending, controlling HUD's spending will require a reexamination of federal housing policies and HUD's mission. Does HUD have the ability and the resources to carry out its responsibilities? To what extent is the federal government able to support

these efforts? This testimony discusses (1) long-standing management shortcomings at HUD that hamper its effectiveness; (2) the problems that HUD and the Congress face in public and assisted housing programs, which account for the bulk of HUD's outlays; (3) the progress HUD is making in addressing its problems; (4) the challenges that HUD faces in restructuring its programs and mechanisms for delivering programs; and (5) the fundamental questions that need to be answered in considering future housing and community development policy.

Housing and Urban Development: Reinvention and Budget Issues.

(Testimony, 02/22/95, GAO/T-RCED-95-112)

The Department of Housing and Urban Development's (HUD) budget request for fiscal year 1996 totals \$26.3 billion, a 2-percent increase in budget authority and a 2-percent decrease in outlays over fiscal year 1995 levels. The budget reflects HUD's proposed first steps in transitioning to the new agency envisioned in its December 1994 reinvention blueprint. This testimony focuses on the (1) challenges facing HUD in implementing a budget based on the reinvention blueprint within the time frames envisioned, (2) potential impact of long-term management deficiencies on HUD's ability to implement the blueprint, and (3) budgetary savings that HUD proposes achieving during the next five years.

High-Risk Series: Department of Housing and Urban Development.

(Letter Report, 02/01/95, GAO/HR-95-11)

In 1990, GAO began a special effort to identify federal programs at high risk of waste, fraud, abuse, and mismanagement. GAO issued a series of reports in December 1992 on the fundamental causes of the problems in the high-risk areas. This report on the Department of Housing and Urban Development is part of the second series that updates the status of this high-risk area. Readers have the following three options in ordering the high-risk series: (1) request any of the individual reports in the series, including the Overview (HR-95-1), the Guide (HR-95-2), or any of the 10 issue area reports; (2) request the Overview and the Guide as a package (HR-95-21SET); or (3) request the entire series as a package (HR-95-20SET).

High-Risk Series: An Overview. (Letter Report, 02/01/95, GAO/HR-95-1)

In 1990, GAO began a special effort to identify federal programs at high risk of waste, fraud, abuse, and mismanagement. GAO issued a series of reports

in December 1992 on the fundamental causes of the problems in the high-risk areas. This report is part of the second series that updates the status of those areas. The Overview discusses the urgent need to continue addressing critical high-risk problems, including such areas as Department of Defense (DOD) contract and inventory management, revenue collections, major lending programs, and oversight of tens of billions of dollars in contracts. Also, GAO has designated new areas as high risk, such as long-standing financial management weaknesses in DOD, growing fraudulent tax filings, and several critical information system modernization projects that are plagued with problems. In five areas, such as the Pension Benefit Guaranty Corporation, improvement has been significant enough for GAO to remove them from the high-risk list. In only three areas—DOD weapons system acquisition and inventory management and the Internal Revenue Service's collection of delinquent receivables—has little progress been made. The series also includes a Quick Reference Guide and a separate report for each of 10 areas, detailing continuing significant problems and needed corrective action. Readers have the following three options in ordering the high-risk series: (1) request any of the individual reports in the series, including the Overview (HR-95-1), the Guide (HR-95-2), or any of the 10 issue area reports; (2) request the Overview and the Guide as a package (HR-95-21SET); or (3) request the entire series as a package (HR-95-20SET).

Housing and Urban Development: Major Management and Budget Issues. (Testimony, 01/24/95, GAO/T-RCED-95-89) (Testimony, 01/19/95, GAO-T-RCED-95-86)

Long-standing departmentwide deficiencies at the Department of Housing and Urban Development (HUD) hamper HUD's ability to effectively carry out its mission. These deficiencies are weak internal controls, an ineffective organizational structure, an insufficient mix of staff with the proper skills, and inadequate information and financial management systems. These deficiencies, along with a variety of other problems, have created particularly vexing problems for both HUD and the Congress in the area of public and assisted housing. These problems include how to minimize mortgage loan defaults; deal with billions of dollars of backlogged housing rehabilitation needs and increased vacancy levels; and address the spiraling costs of providing housing subsidies to lower-income families. HUD has taken steps that begin to address its departmentwide deficiencies as well as the problems that exist in assisted and public housing, but many of these efforts are in their early stages. Solving the problems at HUD will

not be easy and will require a full examination of housing policy and HUD's mission.

Community Development

Community Development: Comprehensive Approaches and Local Flexibility Issues. (Testimony, 12/05/95, GAO/T-RCED-96-53)

The Local Empowerment and Flexibility Act of 1995 would give greater flexibility to local governments and private nonprofit groups using federal programs to help communities and their residents. The proposed legislation would create a council composed of cabinet-level officials to review and approve local plans for integrating federal funds to meet the needs of a specific geographic area. This testimony is based on a February 1995 GAO report (GAO/RCED/HEHS-95-69) that discussed the comprehensive approaches involving resident participation that community groups have used to address housing, economic, and social service needs in distressed neighborhoods. GAO discusses (1) why community development experts advocate a comprehensive approach, (2) what challenges they see to advocate a comprehensive approach, and (3) how the federal government might support comprehensive approaches.

Block Grants: Issues in Designing Accountability Provisions. (Letter Report, 09/01/95, GAO/AIMD-95-226)

The Congress has shown strong interest in consolidating narrowly defined categorical grant programs into broader purpose block grants. A total of 15 block grant programs with funding of \$35 billion were in effect in fiscal year 1994, constituting a small portion of the total federal aid to states. If Medicare and Aid to Families With Dependent Children are added, however, block grant spending could rise substantially—to as much as \$138 billion, or about 58 percent of total federal aid to states. This report summarizes information on how accountability for financial management program performance can be designed to fit a block grant approach and the potential consequences flowing from such provisions. To provide an overview and summary of GAO's evaluations of past block grant programs, GAO reviewed nearly two decades of reports, testimony, and other GAO correspondence on accountability issues related to intergovernmental programs. GAO also consulted with experts on block grants, performance budgeting, and financial accountability.

Community Development: Challenges Face Comprehensive Approaches to Address Needs of Distressed Neighborhoods.

(Testimony, 08/03/95, GAO/T-RCED-95-262)

This testimony is based on GAO's February 1995 report (GAO/RCED/HEHS-95-69) on community groups that are using a

multifaceted—or comprehensive—approach that relies on residents’ participation to address housing, economic, and social service needs in distressed neighborhoods. Comprehensive efforts often arise from residents’ frustration over neighborhood conditions and the dissatisfaction of service providers with the results of more limited approaches. GAO examines (1) why community development experts and practitioners advocate this approach, (2) what challenges they see to its implementation, and (3) how the federal government might support comprehensive approaches.

Economic Development Programs. (Correspondence, 07/28/95, GAO/RCED-95-251R)

GAO provided information on federal economic development programs and the assistance that they provide, focusing on the levels of assistance for each program in the Catalog of Federal Domestic Assistance (CFDA), and the associated broad budget accounts as reported by the Office of Management and Budget (OMB). GAO noted that (1) CFDA lists a total of 342 economic development-related programs; (2) 13 of the 14 executive departments and many agencies and administrations have economic development programs that provide grants and other forms of nonloan assistance, as well as loans and loan guarantees; (3) there is no commonly accepted definition for economic development; and (4) the CFDA budget database does not always provide detailed information about the program level because individual programs may not have their own budget accounts.

Community Development: Reuse of Urban Industrial Sites. (Letter Report, 06/30/95, GAO/RCED-95-172)

Thousands of former industrial sites, known as “brownfields,” are abandoned and possibly contaminated. Many offer potential for redevelopment, but developers have been reluctant to get involved because of far-reaching and uncertain liability imposed by federal and state liability laws. This report (1) determines what is known about the extent and nature of abandoned industrial sites in distressed urban areas and the barriers brownfield present to redevelopment and (2) provides information on federal initiatives aimed at helping communities overcome obstacles to reusing brownfield sites.

Community Development: Comprehensive Approaches Address Multiple Needs but Are Challenging to Implement. (Chapter Report, 02/08/95, GAO/RCED/HEHS-95-69)

The aspirations of people in distressed neighborhoods are familiar—to have a home and a job, to live in a safe area, and to have hope for their children’s future. Isolated by poverty, residents of distressed neighborhoods may never realize their dreams. Some community-based nonprofit groups are using a multifaceted, or comprehensive, approach to community development that relies on residents’ participation to address housing, economic, and social service needs in distressed neighborhoods. This report examines (1) why community development experts and practitioners advocate this approach, (2) what challenges they see to its implementation, and (3) how the federal government might support comprehensive approaches. GAO reviewed four groups, located in Boston; Detroit; Pasadena; and Washington, D.C., that have used comprehensive approaches in their communities.

Disaster Assistance

Disaster Assistance: Information on Declarations for Urban and Rural Areas. (Letter Report, 09/14/95, GAO/RCED-95-242)

Pursuant to a congressional request, GAO provided information on the federal disaster declaration process, focusing on (1) whether the Federal Emergency Management Agency's (FEMA) and the Small Business Administration's (SBA) disaster declaration policies differ for rural and urban areas; (2) the length of time taken to respond to disaster declaration requests for rural and urban areas; (3) the proportion of requests granted for rural areas, as compared with the corresponding proportion for urban areas; and (4) factors that influence disaster declaration processing time. GAO found that (1) FEMA and SBA disaster declaration policies do not differ with respect to whether the affected area is rural or urban; (2) both FEMA and SBA use criteria such as measures of damage to homes, businesses, or public facilities, rather than measures of population density, to assess requests for disaster declarations and to determine whether to grant assistance; (3) in 1993 and 1994, the median processing time for disaster declaration requests to FEMA was 11 days for rural counties and 7 days for urban counties; (4) FEMA has made more rural counties eligible for disaster assistance than any other type of county, while SBA has made more urban counties eligible for assistance than any other type of county; and (5) factors affecting the time required for the disaster declaration process include how quickly damage assessments are made and how well the damage is documented.

Disaster Assistance: Information on Expenditures and Proposals to Improve Effectiveness and Reduce Future Costs. (Testimony, 03/16/95, GAO/T-RCED-95-140)

Concern has been growing in the Congress about the rising costs of federal disaster assistance in recent years. This testimony focuses on (1) ways to enhance the effectiveness of several federal disaster assistance programs, (2) proposals to modify federal disaster assistance policy to potentially lower future federal costs, and (3) the accuracy of financial information in the Federal Emergency Management Agency's Disaster Relief Fund.

Small Business Administration: Better Oversight of SBIC Programs Could Reduce Federal Losses. (Testimony, 09/28/95, GAO/T-RCED-95-285)

Although the Small Business Administration (SBA) has taken steps to reduce losses when firms fail, weaknesses in SBA's management and oversight of the Small Business Investment Company (SBIC) and Specialized Small Business Investment Company (SSBIC) programs continue to place SBA funds at risk. Corrective actions on examination findings are not pursued rigorously, financially troubled firms are not transferred to liquidation quickly, and overstated asset valuations are not detected promptly. GAO believes that these weaknesses result in losses to the government that could have been avoided. Also, given today's tight budget climate, GAO questions whether the stock repurchase program is the best use of federal funds to help small businesses. Finally, although GAO has found no evidence of efforts to restrict examinations, GAO believes that the organizational placement of the Office of Examinations in the same division that is responsible for promoting the program leaves it vulnerable to questions about its independence—especially in light of the programs GAO describes in this testimony.

Small Business: Monitoring of Subcontracting to Small Disadvantaged Businesses. (Letter Report, 09/22/95, GAO/RCED-95-271)

GAO reviewed federal efforts to monitor the progress of federal agencies' contractors in providing maximum subcontracting opportunities for small businesses owned and controlled by socially and economically disadvantaged persons. GAO's review included the Defense Logistics Agency, National Aeronautical and Space Administration, the Department of Energy, and the General Services Administration. This report determines (1) how these agencies monitor contractors' progress in subcontracting to small disadvantaged businesses; (2) whether agencies have assessed monetary damages, known as liquidated damages, against contractors who did not make a good faith effort to subcontract to small disadvantaged businesses; and (3) what initiatives are being considered to change the monitoring process.

Small Business: SBA's Preferred Stock Repurchase Program. (Fact Sheet, 08/18/95, GAO/RCED-95-249FS)

The Small Business Administration (SBA) formerly provided investment capital to companies covered by the Specialized Small Business Investment Company (SSBIC) Program by purchasing their 3-percent

preferred stock. In 1989, the Congress authorized SBA to allow SSBICs to repurchase that stock. Following a pilot program, SBA began allowing SSBICs to buy back their stock at 35 percent of the price paid by SBA. Accrued unpaid dividends were either forgiven or were written off over a 5-year period. In May 1995, GAO reported (GAO/RCED-95-146FS) that 17 SSBICs had repurchased their stock under the program. Since then, another 4 of the current 90 SSBICs have repurchased their stock. This fact sheet provides information on each SSBIC participating in the stock repurchase program, including (1) the repurchase price paid, unpaid dividends forgiven or allowed to be amortized, and the method used to finance the repurchase; (2) the company's private capital, SBA financing, and capital impairment at the time of the stock repurchase; and (3) the company's investments in small businesses during the last 5 years and the value of the investment portfolio at the time of the company's most recent report to SBA

Minority-Owned Firms' Access to Surety Bonds. (Correspondence, 07/14/95, GAO/RCED-95-244R)

Pursuant to a congressional request, GAO reviewed minority-owned firms' access to surety bonds. GAO noted that (1) about half of the minority-owned construction firms surveyed never obtained a surety bond, either because they had not been asked to provide one or did not bid on projects that required bonds; (2) of the firms that had obtained bonds between 1990 and 1993, more than 1 out of 4 had been denied a bond at least once during that time; (3) the average bond obtained by firms in 1993 was between \$250,000 and \$500,000, although up to 42 percent of firms obtained bonds of \$1 million or more; (4) up to 15 percent of the bonded firms derived their 1993 construction revenues from jobs for which they had obtained bonds; (5) barriers to applying for and obtaining bonds include long waiting periods, insufficient information from surety agents regarding denials or requirements changes, large financial commitments, extraneous paperwork, and unaffordable bond fees; and (6) firms can improve their access to bonds by requesting a bonding line, getting better information about requirements and fees, and using government bonding assistance programs or alternatives to bonds.

Small Business: Construction Firms' Access to Surety Bonds. (Fact Sheet, 06/26/95, GAO/RCED-95-173FS)

Federal law requires contractors to provide surety bonds on all federal construction contracts worth more than \$25,000. Surety bonds guarantee

that should a bonded contractor default, a construction project will be completed and the contractor's employees and material suppliers will be paid. Most state and local governments and some private sector lenders also require construction firms to be bonded. Some small construction firms argue that surety companies' decisions to approve or deny bonds can seem arbitrary and can impede the growth of small firms, especially those owned by women and minorities. Because limited data exist on this issue, GAO surveyed a random sample of 12,000 construction firms, of which about 98 percent were small enough to qualify for Small Business Administration programs. GAO focused on the (1) firms' overall rate of obtaining bonds; (2) characteristics of the small firms that did bonded work; (3) recent experiences of these firms in obtaining bonds; and (4) characteristics of those firms that did not perform bonded work, including their reasons for not doing such work. The first volume (GAO/RCED-95-173FS) discusses the survey results in detail. The second volume (GAO/RCED-95-173S) provides detailed statistics on the experiences of small construction firms.

Small Business: Information on SBA's Small Business Investment Company Programs. (Fact Sheet, 05/12/95, GAO/RCED-95-146FS)

The Small Business Investment Act of 1958 created a program to help small businesses obtain financing for starting, maintaining, and expanding operations. Under the program, small business investment companies fund small businesses by purchasing their stock or issuing them loans. In 1972, Congress amended the act to establish specialized small business investment companies to fund small businesses owned by socially or economically disadvantaged persons. This fact sheet provides information on (1) the performance of the programs between 1990 and 1994, including trends in the number, the funding, the losses, the capitalization, and the size of the investment companies, as well as specialized small business investment companies' participation in the Three Percent Preferred Stock Repurchase Program; (2) investment companies' investment activities during that period; and (3) the educational backgrounds and work experiences of personnel in the Small Business Administration who manage the program.

Small Business: Information on Eight Small and Disadvantaged Business Utilization Offices. (Letter Report, 04/14/95, GAO/RCED-95-137)

To increase opportunities for small and disadvantaged businesses to obtain federal contracts, Congress passed legislation establishing an Office

of Small and Disadvantaged Business Utilization in each federal agency with procurement powers. These offices are responsible for overseeing the agency's awarding of contracts and subcontracts to small and disadvantaged businesses. This report reviews offices at the following eight federal agencies: the Departments of Defense and Energy; the General Services Administration; National Aeronautical and Space Administration; and, within the Defense Department, the Departments of the Air Force, Army, and Navy. GAO (1) determines whether office directors report to the appropriate agency official as required by law and (2) describes the activities that the offices perform to help small and disadvantaged businesses obtain federal contracts.

Small Business: Access to Surety Bonds. (Testimony, 04/05/95, GAO/T-RCED-95-150)

This testimony discusses the use of surety bonds in the construction industry and presents the results of GAO's survey of small construction firms. The law requires contractors to provide surety bonds on all federal construction contracts worth more than \$25,000. Most state and local governments and some private-sector lenders also require surety bonds. Surety companies decide whether firms have the experience and financial resources to do a given job and quality for a bond. Small businesses argue that bonding decisions made by surety companies often impede the development of small firms, especially those owned by women and minorities. Recent legislation directed GAO to survey small construction firms on their experiences in obtaining surety bonds. This report discusses (1) the percentage of firms that obtained bonds, (2) reasons some firms were given for denying the bonds, (3) additional conditions some firms had to meet to obtain surety bonds, and (4) changes in requirements for surety bonds on federal construction contracts.

Small Business: Status of SBA's 8(a) Minority Business Development Program. (Testimony, 04/04/95, GAO/T-RCED-95-149)

The 8(a) business development program undoubtedly has helped some firms owned by socially and economically disadvantaged persons to compete in the commercial marketplace. This testimony focuses on several program weaknesses that are preventing firms from obtaining experiences essential to their development. The total dollar value of new contracts awarded competitively grew during fiscal year 1994, but federal procuring agencies limit firms' opportunities for competition under the 8(a) program. The concentration of contract dollars in a few firms

continued in 1994, limiting the developmental opportunities available to many firms. And although the Small Business Administration has approved business plans for most firms, it has not devoted to same attention to annually reviewing these plans to ensure that they accurately reflect the firms' development goals and contract needs. Moreover, many firms nearing the end of their program terms still depend on 8(a) contracts, raising doubts about their chances for success in the commercial marketplace.

Small Business Administration: Status of Small Business Investment Companies. (Testimony, 03/28/95, GAO/T-RCED-95-145)

Licensed and regulated by the Small Business Administration (SBA), companies covered by the Small Business Investment Company and the Specialized Small Business Investment Company (SSBIC) programs are privately owned and managed firms that fund small businesses through stock purchases and loans for starting, modernizing, and expanding operations. Over the years, GAO has reported on problems with SBA oversight of the SSBIC program, such as inadequate documentation of eligibility and prohibitive financial transactions of the program's requirements. This testimony focuses on SBA's oversight, examination, licensing, and liquidation. GAO also discusses implementation of the Three Percent Preferred Stock Repurchase program.

Service Corps of Retired Executives. (Correspondence, 03/10/95, GAO/RCED-95-127R)

Pursuant to a congressional request, GAO provided information on the Small Business Administration's Service Corps of Retired Executives Program (SCORE), focusing on how SCORE (1) determines budget allocations for regional locations; (2) officials view the fairness of the allocations; and (3) meets the needs of rural communities. GAO noted that (1) SCORE regional budget allocations are based primarily on historical trends in actual expenditures; (2) SCORE officials stated that their areas receive a fair share of SCORE funds, given the small size of the total budget; and (3) to meet the needs of rural communities, SCORE uses approaches such as waiving the guidelines for the number of volunteers needed to start a chapter and using persons or funds from larger chapters to subsidize rural chapters.

Small Business: Status of SBA's 8(a) Minority Business Development Program. (Testimony, 03/06/95, GAO/T-RCED-95-122)

Although the Small Business Administration (SBA) has improved some aspects of the 8(a) business development program, which provides federal contracts to small businesses owned by socially and economically disadvantaged persons, it has not yet achieved key changes mandated by the Congress. Although the total dollar value of new contracts awarded competitively grew during fiscal year 1994, federal procuring agencies limit firms' opportunities for competition under the 8(a) program. The concentration of contract dollars in a few firms continued in 1994, limiting the developmental opportunities of many firms. And although SBA has approved business plans for most firms, it has not given the same attention to annually reviewing these plans to guarantee that they accurately reflect the firms' developmental goals and contract needs. Moreover, many firms nearing the end of their program terms still depend on 8(a) contracts, raising doubts about the firms' ability to succeed in the commercial marketplace.

Major Contributors

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Related Products

Financial Management: Legislation to Improve Governmentwide Debt Collection Practices. (Testimony, 09/08/95, GAO/T-AIMD-95-235)

This testimony focuses on the proposed Debt Collection Improvement Act of 1995, whose overall thrust GAO agrees with, and governmentwide debt collection improvement being considered by Congress. Federal agencies have long had problems in managing credit programs and collecting nontax debts. Billions of dollars is at stake. As of September 1994, the government reported \$241 billion in nontax receivables, mainly from direct loans and loans acquired as a result of claims paid of defaulted guaranteed loans. Of that amount, \$49 billion was reported to be delinquent. Moreover, the government was contingently liable for outstanding guaranteed loans totaling \$694 billion. It is essential that the federal government not only make and guarantee creditworthy loans but also put effective practices in place to collect amounts owed. In addition to being a good business practice, increasing debt collections could help reduce the deficit. GAO highlights the magnitude of the government's direct loans and guaranteed loans, the long-standing debt collection problems facing federal agencies, the necessity of having reliable information with which to manage credit programs, and the importance of leadership in having effective credit management and debt collection programs.

Housing and Community Development Issue Area Plan: Fiscal Years 1996-98. (Letter Report, 08/01/95, GAO/IAP-95-15)

GAO presented its Housing and Community Development issue area plan for fiscal years 1996 through 1998. GAO plans to assess the (1) restructuring of federal housing and community development agencies to improve service delivery, eliminate duplication, and produce cost savings; (2) improvement of federal oversight of housing and community development services to reduce fraud, waste, abuse, and mismanagement; (3) reduction of the federal government's financial risk in its mortgage assistance programs; (4) fostering of self-sufficiency among low-income people while meeting budgetary constraints; (5) promotion of community economic and social development; (6) cost-effectiveness of programs that promote small and minority business development; and (7) control of federal disaster assistance costs.

IRM-RCED Issue Area Plan: Fiscal Years 1994-96. (Letter Report, 08/01/95, GAO/IAP-95-17)

GAO provided information on its Information Resources Management (IRM)-Resources, Community, and Economic Development issue area plan for fiscal years 1994 through 1996. GAO plans to (1) evaluate the Federal Aviation Agency's Standard Terminal Automation Replacement System and Oceanic Automation System; (2) assess the U.S. Department of Agriculture's (USDA) implementation of its Modernization of Administrative Processes Program and analyze USDA component agencies' development of financial information systems; (3) assess the Department of Commerce's restructuring of the Advanced Weather Interactive Processing System; (4) analyze the potential duplication of technology developments supporting environmental data collection; (5) assess the Department of Housing and Urban Development's efforts to strengthen its IRM program to support its evolving information needs; (6) assess the Department of Energy's oversight of contractors' IRM activities and expenditures; and (7) evaluate the testing of the Department of the Interior's Automated Land Management System.

Low-Income Families. (Correspondence, 06/28/95, GAO/HEHS-95-162R)

Pursuant to a congressional request, GAO provided further information on the incomes and relative poverty status of families receiving Aid to Families with Dependent Children (AFDC) in comparison with nonAFDC working poor families. GAO noted that (1) there are nearly 80 means-tested programs targeting assistance to various groups of low-income families; (2) in fiscal year (FY) 1993, the public assistance programs cost \$223 billion and constituted 16 percent of that year's federal budget; (3) states provided an additional \$88 billion for the means-tested programs in FY 1993; (4) federal spending for all assistance programs has increased 58 percent since 1980; (5) five programs account for 65 percent of program outlays and have doubled their spending since 1980; (6) many AFDC families receive assistance from multiple programs, but there are no data available on the extent to which AFDC families are eligible for or receive benefits from other programs; (7) the monthly median income for all AFDC families ranges between \$633 and \$767, while the monthly median income of AFDC families who receive multiple benefits ranges between \$903 and \$1,090; (8) families receiving assistance from both AFDC and the Food Stamp Program may not be eligible for the maximum available benefits under other assistance programs; (9) the AFDC median income level tends

to be at or below the poverty line; and (10) working poor families have median monthly incomes comparable with or lower than AFDC families who receive benefits from other assistance programs, depending on the method used to value Medicaid benefits.

Welfare Programs: Opportunities to Consolidate and Increase Program Efficiencies. (Letter Report, 05/31/95, GAO/HEHS-95-139)

The federal government provides billions of dollars in public assistance each year through an inefficient welfare system that is increasingly cumbersome for program administrators to manage and difficult for eligible clients to access. Program consolidation may be one strategy to reduce the inefficiency of the current system of overlapping and fragmented programs. This report (1) describes low-income families' participation in multiple welfare programs; (2) examines program inefficiencies, such as program overlap and fragmentation; and (3) identifies issues to consider in deciding whether, and to what extent, to consolidate welfare issues. Regardless of how the welfare system is restructured, ensuring that federal funds are used efficiently and that programs focus on outcomes remains important. Without a focus on outcomes, concerns and the effectiveness of welfare programs will not be adequately addressed.

Housing and Community Development Products, 1992-94. (Letter Report, 05/01/95, GAO/RCED-95-61W)

GAO's Housing and Community Development Issue Area studies programs that seek to deliver affordable housing and maintain vital communities for all Americans. This index provides information on GAO products issued between 1992 and 1994 on housing and community development programs. The index also includes studies done by other GAO issue areas on related topics. The index is divided into broad subject areas that should be helpful in locating material. Order forms are included.

Government Corporations: Profiles of Recent Proposals. (Fact Sheet, 03/30/95, GAO/GGD-95-57FS)

Government corporations are federally chartered entities created to serve a public function of a predominantly business nature. As used in this fact sheet, a "proposed government corporation" meets one of the following criteria: (1) it was contained in legislation introduced in the Congress, (2) it was proposed in executive agency reorganizations, or (3) it was recommended in National Academy of Public Administration studies

commissioned by federal agencies. This fact sheet identifies proposals to create government corporations between November 1993 and December 1994. GAO also discusses the Community Development Financial Institutions Fund—a new government corporation created by the Riegle Community Development and Regulatory Improvement Act of 1994.

Means-Tested Programs. (Correspondence, 02/24/95, GAO/HEHS-95-94R)

Pursuant to a congressional request, GAO provided information on welfare reform proposals to simplify means-tested public assistance programs. GAO noted that (1) welfare services should be easily accessible by all who seek assistance; (2) there is no integrated strategy to unify these programs to address the interrelated needs of individuals and families; (3) despite efforts to better coordinate federal programs, conflicting requirements make it difficult for program staff to coordinate activities and share resources; and (4) program integration could be facilitated by reducing or eliminating federal program barriers and reengineering the welfare delivery process.

Multiple Employment Training Programs: Information Crosswalk on 163 Employment Training Programs. (Fact Sheet, 02/14/95, GAO/HEHS-95-85FS)

GAO compiled a list of 163 programs and funding streams that provide about \$20 billion in employment training assistance. During recent testimony before Congress (GAO/T-HEHS-95-53 and GAO/T-HEHS-95-70), GAO indicated that the number of employment training programs had risen to 193 since 1991 and that this fragmented “system” wasted resources and confused and frustrated clients, employers, and administrators. To help the Congress make hard choices about overhauling and consolidating employment training programs, this fact sheet provides a crosswalk of information for each program, including (1) fiscal year 1995 appropriation, (2) summary of the program’s purpose as it relates to employment training activities, (3) authorizing legislation and the U.S. citation, (4) Catalog of Federal Domestic Assistance program number, (5) budget account number, (6) target group, and (7) type of employment training assistance provided.

Means-Tested Programs: An Overview, Problems, and Issues.
(Testimony, 02/07/95, GAO/T-HEHS-95-76)

Nearly 80 means-tested programs have been created over the years for low-income people. In fiscal year 1992, the federal government spent about \$208 billion on these programs to meet the needs of poor Americans of all ages. The many means-tested programs are costly and difficult to administer. On the one hand, the programs sometimes overlap one another; on the other hand, they are often so narrowly focused that service gaps hinder clients. GAO notes, that although advanced computer technology is essential to the programs' operating efficiently, it is not being effectively developed or used. Due to their size and complexity, many of these programs are vulnerable to waste, fraud, and abuse. Moreover, the welfare system is often difficult for clients to use effectively. Finally, administrators have not articulated clear goals and objectives for some programs and have not collected data on how well the programs are working.

Multiple Youth Programs. (Correspondence, 01/19/95, GAO/HEHS-95-60R)

Pursuant to a congressional request, GAO provided information on federally sponsored youth development programs that are targeted to delinquent and at-risk youth. GAO noted that (1) 8 federal agencies administer at least 46 programs that are targeted for youth development; (2) \$5.34 billion has been appropriated for fiscal year 1995 programs that serve delinquent and at-risk youth; (3) the Corporation for National and Community Service administers 3 programs with a funding level of \$146.2 million; (4) the Department of Education administers 10 programs with a funding level of \$854.6 million; (5) the Department of Health and Human Services administers 15 programs with a funding level of \$888 million; (6) the Department of Housing and Urban Development administers 2 programs with a funding level of \$340 million; (7) the Department of the Interior administers 2 programs with a funding level of \$45.1 million; (8) the Department of Justice administers 8 programs with a funding level of \$151.8 million; (9) the Department of Labor administers 5 programs with a funding level of \$2.9 billion; and (10) the Department of the Treasury administers 1 program with a funding level of \$9 million.

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